

FISCAL IMPACT STATEMENT ON BILL NO. **S.860, SENATE AMENDMENT**  
(Doc. No. 860R005.WGR)

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TO:	The Honorable Hugh Leatherman, Chairman, Senate Finance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Earle Powell and Torina Wood		
DATE:	May 13, 2008	SBD:	2008273

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AUTHOR:	Senate Labor, Commerce & Industry	PRIMARY CODE CITE:	58-5-390
SUBJECT:	Fire Sprinkler Tax Credit		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:  
Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:  
\$0 (No additional expenditures or savings are expected)

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**BILL SUMMARY:**

Senate Bill 860, as amended, allows for a state income tax credit equal to eighty percent of the taxpayer's direct expenses when a fire sprinkler system is installed in a commercial or residential structure, when such installation is new or existing, and when the installation is not required by law, regulation, or code.

**EXPLANATION OF IMPACT:**

The Department of Revenue indicates this Bill will have a minimal impact on the General Fund of the State, which can be absorbed at the current level of funding.

**LOCAL GOVERNMENT IMPACT:**

A survey of the FIST network was conducted to determine the impact of this Bill on local governments. Eight municipalities responded to the survey. Seven municipalities indicated this Bill would have a minimal impact on their locality's expenditures. One municipality reported that the Bill could indirectly increase staffing time to monitor the installation of the systems.

**SPECIAL NOTES:**

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Harry Bell  
Assistant Director, Office of State Budget